

REMARKS

Independent claims 18 and 19 have been amended to better distinguish the present invention from the cited art. In their amended form they are believed to patentably distinguish over any reasonable combination of the prior art.

All of the claims stand rejected under 35 U.S.C. §103(a) as being unpatentable over Rowney et al., U.S. Patent 5,996,076, in view of Briscoe, U.S. Patent 6,341,273 and further view of Yacobi, U.S. Patent 5,511,121. Independent claims 18 and 19 both define communication-based systems for simplifying a purchase transaction by a consumer, having access to a first device, and having possession of a recordable media containing a first set of data which includes at least one non-reusable token being equivalent to a monetary value, from a merchant who has a second device on the communication system. The method involves providing a third computer on the communication system adapted to communicate to the first and second devices, and a fourth device by a payment authorizer such as a bank, to simplify the entire purchase transaction.

The Rowney et al. reference relies on complex encryption schemes and encryption keys to facilitate secure transfer of sensitive data between the consumer and merchant during processing of a transaction over a communications network. Applicant's invention provides an advantage over the use of such encryption schemes by substituting a proxy for cash in the form of non-reusable data tokens whereby the tokens are not associated with any sensitive or personal customer data that could be misappropriated by hackers to support fraudulent business transactions over a communication network. The combination of the use of the non-reusable tokens and the unique transaction protocol whereby the authentication server facilitates substantially all of the transaction processes without having to transfer the consumer's sensitive information over the communications network provides a highly secure and easily implemented

means for supporting online transactions that is not obvious in view of Rowney et al. (see Figures 1 and 2).

More specifically, Rowney does not disclose a payment system wherein the consumer utilizes data having a corresponding equivalent monetary value to simplify the transaction. The Rowney system incorporates a customer device 120, a merchant device 130 and a payment gateway 140. The Examiner suggests that Rowney meets the limitation of transmitting a portion of the third data set, from the third device to a fourth device at column 15, lines 45-53. It is respectfully submitted that this section of Rowney's specification describes communication between the merchant computer system 130, the equivalent of the second device as defined in the present claims, and a payment gateway system 140, which constitutes the third device in the present claims rather than the fourth device.

Rowney fails to meet the limitations of the claims in a number of respects. For example, the limitation of "transmitting the first set of data retrieved from the recordable media directly to the third device" as defined in claim 18 and claim 19 is not met by Rowney. All communication with the payment gateway 140 is via the merchant gateway 130 rather than directly from the customer to the payment gateway as defined by the claim. The method of the present invention greatly simplifies the transaction and minimizes handling of the payment token with its attendant opportunities for misuse of the payment token. The Examiner recognizes that Rowney et al. does not disclose comparing the first of data to the third set of data for verification purposes and suggests that Yacobi discloses this function in Figure 3. It is respectfully submitted that in the Yacobi structure the comparison is made directly by an interchange between the consumer and the bank or a certification authority. In the present invention, as defined by claims 18 and 19, the

comparison is made at the third device, the payment processor, rather than by the fourth device, the bank.

The Examiner suggests that Rowney does not specifically disclose retrieving the first set of data from the recordable media at the user interface wherein the first data set includes at least one non-reusable token being the equivalent of the monetary value. The Examiner suggests that Briscoe discloses retrieving the first set of data from the recordable media at the user interface in Figure 3. It is respectfully submitted that Briscoe does not disclose or suggest the incorporation of the token data in a recordable media which may be provided to the user terminal, the first device, as opposed to simply storing a hash function on the user's computer. Claims 18 and 19 have been amended to specify the user of a removable recordable media with its attendant advantages in a system of this type.

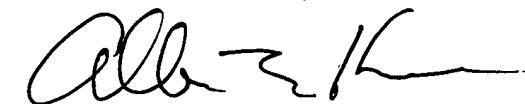
The Briscoe reference is also deficient in requiring that the token information be communicated to the merchants as well as the payment processors in each transaction as specified above. The Examiner suggests that it would have been obvious to combine Rowney and Briscoe "in order to create an anonymous form of electronic money."

It is well settled that, in order to reject claims under 35 U.S.C. §103, the Examiner must provide a reason why one having ordinary skill in the pertinent art would have been led to combine the cited references to arrive at Applicant's claimed invention. There must be something *in the prior art* that suggests the proposed combination, other than hindsight gained from knowledge that the inventor chose to combine these particular things in this particular way. *Uniroyal Inc. v. Rudkin-Wiley Corp.*, 837 F.2d 1044, 1051, 5 USPQ2d 1434, 1438 (Fed. Cir. 1988). The Examiner is also required to make specific findings on a suggestion to combine prior art references. *In re Dembeczak*, 175 F.3d 994, 1000-01, 50 USPQ2d 1614, 1617-19 (Fed. Cir. 1999).

In this case, there is no teaching or suggestion *whatsoever* from Rowney et al. as to the use of a token having an equivalent monetary value, nor is there any teaching or suggestion in Briscoe as to the steps associated with secure digital certification of electronic commerce pursuant to the '076 patent. Moreover, the justification given by the Examiner for the combination, namely, "to use an electronic coin stick in order to create an anonymous form of electronic money," does not bear a requisite nexus to Applicant's claims sufficient to establish *prima facie* obviousness.

Reconsideration and allowance are accordingly respectfully solicited.

Respectfully submitted,



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